CHAPTER 6

Craft Clusters and Work in Rural India: An Exploration

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Introduction

In post-Independence India, efforts at and ideas about effecting rural transformation through agrarian change unfortunately have been devoid of the critical elements of pragmatism and pursuance. That a highly skewed distribution of land and spatio-selective technological intervention would continue to plague expectations over remarkable contributions from the agricultural sector remained a reality that one learned to live with. Over six decades of development planning, including a quarter century of economic reforms, have certainly performed dismally in promoting rural infrastructure, which constitutes the very basis of activating the rural economy (Das 2001). Despite numerous thoughtful studies and government schemes at both the central and state levels, widespread poverty and unemployment in rural India establish the persistent neglect meted out to the rural transformation project, if there was one. According to the latest report of the Planning Commission (Government of India 2014: 66), the poverty ratio for rural India (for the year 2011–12) was 30.9%, and the ratios for the sample states in this study were 21.4% for Rajasthan and 42.0% for Assam.

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Whereas and whenever the farm sector could engage its population, mostly for about four months in a year, very few options were left to the villagers in terms of earning their livelihood for the rest of the months. The predicament of unemployment is particularly acute as not only are a staggering three fourths of landholdings still with small and marginal farmers but the number of agricultural laborers has also risen considerably, from about 27.3 million in 1951 to 144.3 million in 2011; the proportion of agricultural laborers rose from about 19.5% to 30% during the same period. In fact, during the last census decade alone, while the cultivators have declined by about 9 million, there has been an increase of about 38 million in the number of agricultural laborers. An important consequence of this has been the large-scale migration (both seasonal and permanent) to urban industrial centers, which often has landed the desperate unskilled and illiterate/poorly educated young workers in strenuous, unsafe, and long-hour jobs. Even when their labor was grossly under-valued and jobs remained precarious and "unprotected", urban industrial belts have been receiving millions of migrant workers from rural areas where both the farm and non-farm sectors are incapable of generating adequate and sustainable income and employment opportunities.

Nature of Rural Non-farm Employment

There have been important changes in the structure of rural employment during the recent decades. As may be surmised from Table 6.1, during the past three decades or so (1983–2012), the two sectors that have witnessed

Table 6.1 Structure of rural employment in India, 1983 to 2011–12

(percentages)

Sector/Industry	*1983*	*1993–94*	*2004–05*	*2011–12*
Agriculture and allied activities	81.5	78.4	72.7	64.1
Mining and quarrying	0.5	0.6	0.5	0.5
Manufacturing	6.8	7.0	8.1	8.7
Electricity, gas, and water supply	0.2	0.2	0.2	0.2
Construction	1.7	2.3	4.9	11.1
Trade, hotels, and restaurants	3.5	4.3	6.2	6.8
Transport, storage, and communication	1.1	1.4	2.5	2.9
Other services	4.9	5.7	5.1	5.7
Total	100.0	100.0	100.0	100.0

Source: Reddy et al. (2014: 12)

Table 6.2 Distribution of incremental workers by sub-sector in rural India, 1983–2010

Sectors	*Increase in workers per year (in lakh)*	
	1983 to 1993–94	*1993–94 to 2009–10*
Agriculture and allied activities	26.33	0.01 (0.05)
Mining and quarrying	0.49	−0.95 (−3.56)
Manufacturing	3.46	2.40 (8.96)
Electricity, gas, and water supply	0.22	−0.31 (−1.14)
Construction	2.74	15.50 (57.88)
Trade (wholesale and retail)	3.26	4.88 (18.23)
Hotels and restaurants	0.45	0.81 (3.04)
Transport, storage, and communications	1.42	3.47 (12.96)
Other services	4.37	0.96 (3.60)
Non-agricultural activities	16.43	26.76 (99.95)
All sectors	42.75	26.77 (100.00)

Source: Bhaumik (2013: 361)
Note: Figures in brackets are percentage shares in incremental workers (UPSS basis)

clear signs of rise in shares of rural employment are "Construction" and "Trade, hotels, and restaurants", with the former showing an impressive rise (from 1.7% to 11.7%). Interestingly, the share of employment in manufacturing (which would account for much of what is described as "rural industries", including rural clusters) as an important source of employment has risen rather slowly, from 6.8% in 1983 to 8.7% in 2011–12. Even as the sectoral growth rates of rural employment from the non-farm sector as a whole have been on the rise (from 3.23% during 1983 to 1993–94 to 3.64% during 1993–94 to 2004–05 to 4.03% during 1999–2000 to 2009–10), that of manufacturing has, in fact, risen somewhat between the first two periods (2.02% to 2.74%) but slipped to a low of a mere 0.62% during 1999–2000 to 2009–10 (Reddy et al. 2014: 11).

In a comparison of *incremental* employment by the non-farm sector in rural India as between pre- and post-reform periods, it was again established that manufacturing (with 8.96%) was *not* the sector where notable growth occurred (Bhaumik 2013: 360–361); in fact, the sectors which absorbed new entrants in the labor market were construction (57.88%), trade (18.23%), and transport, storage, and communications (12.96%) (Table 6.2). As a further corroboration of the receding significance of manufacturing within rural non-farm activities as far as employment is

Table 6.3 Rural non-agriculture and manufacturing employment in sample states, 1983–2012

(percentages)

State	*Employment in non-agriculture sector*			
	1983	*1993–94*	*2004–05*	*2011–12*
Assam	20.7 (4.4)	21.1 (5.5)	25.7 (3.1)	38.0 (5.5)
Rajasthan	13.3 (4.3)	20.2 (4.6)	27.1 (5.8)	39.2 (5.2)

Source: Table A13.5 (State-wise Sectoral Distribution of Usual (Principal + Subsidiary) Status Workers) in Dev (2015: 469–470)
Note: Figures in parentheses are employment shares of "Manufacturing" within the non-agriculture sector

concerned, Table 6.3 provides relevant data by sample states. It is useful to note that, across states and over the four time points during the three decades (1983 to 2011–12), the share of manufacturing within non-farm employment not only has remained low (varying between 5% and 10% in 2011–12, for instance) but also has often declined during the period referred to. The issue of concern relates to the weakening status of rural industries in acting as potential sources of employment in rural India.

Beyond the numerical dimensions of rural non-farm employment, several scholars have been perturbed by the fall in quality of employment. In fact, within rural non-farm employment, one observes a steady rise in casual employment as in 1983 (23.1%), 1993–94 (25.2%), 2004–05 (26.6%), and 2009–10 (36.6%). An important fallout of rising casual employment relates to the precarious of work and low remuneration across sectors. As observed by Reddy (2002: 62), "casualisation often cohabits occupational multiplicity, circulating labor, feminisation, child labor, contract labor and boded labor".

Although a large proportion of rural employment is still connected to the farm sector, the gradual changes in the peri-urban areas and deepening of linkages and dependence between the rural and urban areas have implied that the rural non-farm employment has also been responding to newer opportunities of higher remuneration, flexible work contracts, and scope to upgrade labor productivity. However, such a transformation in the quality of rural non-farm employment has been constrained by the fact of low levels of education and formal skills of rural laborers who eventually are engaged in low-end, low-productivity jobs in urban industries (for instance, hardly having access to any social security provisions or even

stability of employment). The number of these "informal"/"unorganized" workers has been on the rise in the so-called "formal"/"organized" industries; for instance, contract workers in the organized sector rose from 24.3% in 2004–05 to 31.7% in 2010–11, establishing informalization intensifying in the organized manufacturing sector (Uchikawa 2014: 11).

Moreover, an important aspect of the emerging structure of rural employment has been the growing marginalization of female workers, whose withdrawal from the wage work space has been pronounce during the recent decade or so (Kannan and Raveendran 2012). It has been observed that having dropped out of the labor force, rural women engage in low-paid informal work (Hirway 2012).

Deindustrialization: Crafts and Artisans During the Colonial Period

As has been widely documented, with large-scale deindustrialization during the colonial period, the artisans and their production suffered, often irreparably. Almost 150 years of colonial rule since the early nineteenth century, starting with the rise of the stranglehold of the trade capital of the East India Company, witnessed the decline and collapse of much of the craft sector as it gave in to the destruction of market opportunities, including opportunities abroad for Indian craft products, "fierce and unequal" competition of imports of machine-made goods, and the spatial spread of modern industrialization using railways during the period. The debate over characterizing India's deindustrialization (the original proponents of the thesis being nationalist-intellectuals such as Dadabhai Naoroji, M.G. Ranade, Romesh Chunder Dutt, and Rajani Palme Dutt) during the colonial period has had bitter opponents. While several distinguished economic and social historians (notably Amiya Kumar Bagchi, Bipan Chandra, and Tapan Roychaudhuri) unequivocally held the anti-India repressive commercial policies of the colonial rule responsible for the massive crisis in the indigenous manufacturing sector that resulted in an unprecedented drop in the number of workers engaged in craft and other non-farm activities, a few (particularly Morris D. Morris, Daniel Thorner, and Tirthankar Roy) held to the view that this was not the case. Nevertheless, "most scholars agree that the impact of machine-made manufactured goods was harmful for India's weavers and other craftsmen for most of the 19th century…Hence, de-industrialization did occur but not in an unqualified, linear and uninterrupted manner".

An important concern was the sharp decline in the number of workers in the traditional non-farm activities at the expense of the non-factory sector between 1901 and 1951. Particularly, in rural areas, "the decline in employment in handicrafts may have been larger" (Krishnamurty 1984: 540). A crucial aspect that has received rather scant attention in the deindustrialization discourse relates to the fact that in several activities there was a substantial drop in female workers which spelt disaster for these rural enterprises which depended heavily on their skill and work. As painstakingly evidenced and argued by Roy (2005; Chaps. 7 and 8, in particular), with wage work gaining currency, "a steady and pronounced de-feminization of the industrial workforce" of the artisan sector was effected through the double whammy of "barriers to entry into the factory as well as barriers to exit from home to join work-sites far away from home" (Roy 2005: 116). Very briefly, women workers were disadvantaged by low investment (compared with their male counterparts) in their skill formation; severely restricted mobility (again compared with men) socially as well as with reference to possession of skill, capital, and technology; and a certain "gender-independence" in the labor process that was organized differently in factories by *disintegrating* female work.

It has been argued that, despite the upstaging of indigenously manufactured goods by machine-made products, the demand for traditional goods existed and this helped the craft sector survive through the difficult colonial period. Furthermore, in this process of adjustment to the impending crisis in the craft sector, quite a few craft activities and craftspersons shifted over to urban areas and managed to sustain their business. That the state played little or no role in protecting the interests of craftspersons is not unknown.

Crafts as Work and Enterprise: Falling Out of Favor

The rise of the non-farm sector in rural India, in terms of income and employment shares, has been observed at least since the early 1980s. This increase, however, has *not* been due to any commensurate performance of the rural industries that largely include the traditional or craft sector.

An important change in the structure of rural employment has been a clear decline in the share of agricultural activities. As shown in Table 6.1, the proportion had declined from 81.5% in 1983 to 78.4% a decade later in 1993–94 and a much sharper decline is visible between 1993–94 and 2011–12 to 64.1%. That agriculture has been failing to support employment in rural India is marked not only by the growing fragmentation of land holdings but by increasing farm mechanization that displaces labor. Furthermore,

barring a few regions, low investment in farm infrastructure and advanced agronomic practices has stymied possibilities of strong farm–non-farm linkages (and transformation) somewhat in line with what Mellor (1976) had envisioned. Rural industries, by implication, have been neither strengthened by the farming sector as a raw material provider nor buoyed by the farming community as a buyer of their goods.

The low income from agriculture is established by the fact that as many as 68.57 million households (or 38.27%) are "landless" and depend on manual casual labor as the main source of income. Moreover, as between the two agricultural census rounds held in 1970–71 and 2010–11, there has been a substantial rise in the marginal (less than 1 hectare) and small (between 1–2 hectares) landholdings, from around 21% in 1970–71 to a staggering 85.01% of total landholdings. These smaller landholdings account for 44.58% of the total operational area in the country. "Moreover, with a rather difficult target of an annual growth rate of agricultural income to reaching anywhere close to 4% during 2013–14, marginal and small farmers have little to expect from the farm sector to contribute towards boosting the non-farm sector" (Das 2015: 133).

Apart from the incapacity of the farm sector to play a complementary role in terms of investments of farm surplus into rural industries, there have been serious deterrents to enterprise dynamism and growth. A brief discussion on these constraints is in order to appreciate the crisis that has besieged the craft clusters in rural India.

Raw Material Availability and Quality

The craft clusters are typically based on working on natural resources available in the proximity or the key raw material made available easily at a low cost or both. As far as the natural resource–based raw materials are concerned, the most common ones would be wood, timber, leaves, cotton, bamboo, reeds, husk, shell, gums, lac, clay, stones (including precious), rocks, metals, glass, bones, skin and hides, horns, hair, wool, and so on. It is important to appreciate that several of these raw materials are derived from forests—trees and animals, to be specific. With the forest coverage on the decline and legal restrictions on collecting even minor forest produce becoming commonplace, several of the craft enterprises are finding it difficult to be in business, despite having the requisite skill, techniques, and implements/tools. The case is similar with other materials extracted/mined from the earth's surface. The rapid pace of urbanization and real estate growth have put pressure on certain craft clusters which procured

the raw material—clay, sand, stones, and so on—from the land often free of cost. Additionally, there have been concerns by the artisans regarding the falling quality of several of the raw materials or cheap availability of counterfeit alternatives ultimately adversely affecting the artisans' income earning options. Eventually, the crisis in raw material has led to the decline of crafts and craft clusters for that matter.

Absence of Initiatives to Create Awareness and Access Potential Markets

In all probability, the most difficult challenge facing the craft clusters has been access to potential markets, whether at the regional/state, national, or international level. Several of the crafts either have met their end or have been on the decline as the artisans are not able to sell their products at a reasonably good price. In fact, there is hardly any policy support to explore possibilities looking beyond the local markets and gather information regarding the expectations of buyers and even wholesale and retail traders outside the local markets. It is important to recognize that the perspective on the craft sector needs to change substantively moving away from the obsession with the supply-side role in marketing to appreciate the profile of emerging demand as from different consumers across space. This is not to undermine the speciality and cultural attributes of skill and purpose underlying the craft product but rather to emphasize that "the market demand for such products remain poorly articulated mainly due to inadequate or no availability of information about the special features of these artefacts. The overwhelming presence of machine-made and standardized goods from the modern sector advertised and marketed vigorously come in direct conflict with those forthcoming from the handicraft sector" (Das and Lalitha 2015: 2).

Craft products are typically made in small batches with locally available raw materials and family-centric skills informally handed down from generation to generation. Discerning consumers have always appreciated the *handiwork* and have purchased such items not quite looking for *standardised* and *uniform* artefacts. Hence, it would be incorrect to presume that several crafts (or even the sector) face a crisis typified as the "sunset syndrome" whereby a rapid decline in market for these artefacts assumes alarming proportions. Such an eventuality calls for a distinctly different strategy that would ensure that the artisans realize the maximum possible value for their efforts and receive adequate training and re-training inputs toward diversifying their products using newer techniques and materials if necessitated by the changing consumer preferences across hierarchies of markets from local to the regional to the national to the global. Interventions

in enhancing market access would also involve spreading information to customers on the history, materials, processes, and any cultural or social values characterizing the artefacts. This calls for a serious relook into the relevance and implementation of existing policy instruments to promote craft products. "The challenge therefore is not one of market threat but rather fostering the capacity of artisans to negotiate effectively with the market, and effectively protect their own interests within a situation of constant change and unrelenting competition" (Chatterjee 2014: 17).

Policy Myopia and Dysfunctional Institutions

The very defining of handicrafts in the official parlance suggests a narrow and limiting vision about the sector as it precludes the potential of adopting a dynamic view of the activities. According to the Development Commissioner (Handicrafts), Ministry of Textiles, Government of India, "Handicrafts are mostly defined as items made by hand, often with the use of simple tools, and are generally artistic and/or traditional in nature. They are also objects of utility and objects of decoration". As the official position implies, there has been a reluctance in according the status of 'rural industries' (which use modern inputs and machinery) to craft activities which are, essentially, to be performed manually. This approach has constricted or, in the least, dissuaded the artisan enterprises in exploring potential opportunities in product diversification and enhancing productivity. The prerequisite to preserve and take pride in the craft and its associated culture, notwithstanding efforts at providing business services, technology backstopping, and helping enhance labor productivity through skill training at the enterprise and cluster level, cannot be overstated.

As, conventionally, craft units (and artisans) are found co-located in enterprise clusters, fostering crafts through the cluster development approach has attracted the fancy of policy makers since the early 2000s or so. Drawing on a "straight-jacketed" United Nations Industrial Development Organization (UNIDO) cluster development program in the late 1990s, the extant policy initiatives in craft cluster promotion leave much to be desired. These approaches are based on a limited understanding of the dynamics of and constraints facing rural enterprises and deeply flawed sectoral obsessions. Serious criticisms of these inadequate initiatives and myopic perspectives have been proffered earlier (Das 1999, 2005a, b, 2011a). Ignoring specificities of regional infirmities, within which rural clusters function, "clusters of all types have been treated more as mere MSMEs [...] and that poor understanding has led to confusion in addressing specific issues facing rural clusters. It is,

hence, often difficult to segregate, in a useful manner, policies for clusters in general and those stated to be for *rural* clusters" (Das 2011a: 292).

Rural Craft Enterprises and Clusters: Policy Relegated

Cottage and rural enterprises have received policy emphasis since at least 1938, as may be seen in *Rural and Cottage Industries: Report of the Sub-committee*, brought out under the aegis of the then National Planning Committee (Shah 1948). These have been construed as a vital mechanism for generating jobs (across levels of skill, education, and age) and local income, using local resources. Rural craft-based enterprises contribute to local income and employment generation in a substantive manner, and being often local craft- and material-based, these have served as workshops of innovation. In a way, these rural enterprises have played a role in dissuading distress-driven rural-to-urban migration. The severely inadequate policy attention to various constraints facing rural enterprises has serious implications in terms of their growth and survival. These enterprises are facing challenges of upgrading product quality, access to wider market, multi-skilling labor, accessing credit and adequate business infrastructure, and protecting the environment.

A close review of Indian Plan and numerous policy documents over the last 65 years or so since Planning began brings out an atypical phenomenon in national industrial policy: the policy eulogized and mentioned promoting of rural industries (essentially, the khadi and village industries) time and again, but the bias against it (at least in terms of actual investment in building business infrastructure, providing for adequate loan finance and helping promote market linkages and facilitating raw material procurement) has been real and significant. That the large and modern industries have amassed maximum state benefits is well established.

At least since the Second Plan, an overemphasis on the potential of the craft sector in creating employment has remained a policy rhetoric as strategies to enhance labor productivity, broad-basing skill sets through enhancing educational abilities of workers, training and re-training provisions, and building up technological capabilities of the craft units or clusters (or both) have hardly been thought through. For instance, the "Common Production Programme was repeatedly advocated but was never introduced (perhaps under pressure from big business lobby) in any industry, thus upsetting the most vital link needed to give the village industries a chance for survival. Even minor attempts at common production programmes could not make

headway because the administrative arrangements that exist are at best an appendage" (Jain 1980: 1748). Over the decades, through a series of rural industrialization programs or schemes, upgradation of technological and organizational capabilities of enterprises often has been highlighted as an important way to progress. In fact, some of the early articulation of such perspectives could be traced to what the important Karve Committee had to observe six decades ago. It held that, creation of jobs remaining the key objective, there was no alternative to invest in infrastructure, upgrading technology, and exploring markets at all levels at both the domestic and international spheres. It clarified that "any development programme for small industry should be decentralised, aimed at gradual improvement in techniques *without reducing job opportunities*, assure marketing through co-operatives, and aim at positive promotional support rather than enforce protection or reservation" (Vepa 1971: 19; emphasis ours).

The policy domain, nevertheless, remained confounded over what exactly to do in dealing with a traditional sector like crafts apart from suggesting that this could generate employment and income even of a low order. Keeping an eye on the potential and new market possibilities, there have been, however, voices of concern regarding a certain policy obstinacy or even ignorance if to modify existing processes, techniques, and materials to upgrade product quality or help diversify (Bhatt 1998). Early on, Papola and Misra (1980: 1745) observed that "If village industries are to cater to the local needs, it seems necessary that technology of the traditional industries is refurbished to meet new demands; and new products are introduced for manufacturing in the rural areas. An approach based on an emphasis on traditional products and technology is highly unlikely to succeed as a mode of rural industrialisation for income and employment generation". Suggestions included minimal mechanization, introduction of electricity, imparting new skills through training, and periodic exposure and interaction with other similar activities elsewhere, even abroad.

Over the decades, since the First Five Year Plan onwards, the neglect of rural industries and craft clusters, in particular, has continued. In a review of the policy on handicrafts spanning three decades (1955–85), it was lamented that "the resources and attention received by the handicrafts sector, relative to its contribution to employment and foreign exchange at the hands of the Plan, bear no comment. What bears comment however, is that some of the acute problems of the craftsmen – of (1) working and living space, (2) health facilities, (3) orderly supply of raw materials, (4) relief from the burden of training skilled workers which is now entirely on their lean shoulders and (5) some cushion against trade risks,…cry for attention"

(Jain 1986: 881). This is not to suggest that there have not been separate policy programs specific to the craft sector or artisans. That often there have been serious deficiencies in implementation and fund crunch has been pointed out; the economic reforms since 1991 further stymied the scope of survival and growth of rural enterprises (Chadha and Sahu 2005; Das 2005b, 2011b, 2013, 2015). Interestingly, even the recent policy suggestions, as detailed by the Government of India (2011: 18–25), touch upon all possible areas ranging from artisan welfare to cluster development to export of craft products. Table 6.4 provides a few of the central government schemes for artisans in operation. However, the Strengths, Weaknesses Opportunities, Threats (SWOT) analysis in the same document (Government of India 2011: 33–34) reveals the continuance of a plethora of constraints attributable to policy lapses.

Table 6.4 Various artisan sector-related policy initiatives

Babasaheb Ambedkar Hastshilp Vikas Yojana:
It provides for a package of benefits to the clusters of various crafts to mobilize and form self-help groups facilitating participation in training programmes, design workshops, exhibitions and common facility centres.
Scheme for Design and Technology Upgradation:
This scheme aims to provide design and technology related inputs including skill upgradation to the handicraft artisans to improve their productivity, quality and better marketability of their products. The fonancial assistance ranges between Rs. 10000 and Rs. 1 million and would be available as grants-in-aid.
Artisan Credit Cards:
Financial assistance will be provided to the tune of Rs. 500 for the number of persons to be surveyed in the form of grant-in-aid subject to a maximum of Rs. 1.50 lakh per cluster up to a cluster size of 500 artisans.
Rajiv Gandhi Shilpi Swasthya Bima Yojana (RGSSBY):
The scheme aims at financially enabling the artisan community to access to the best of health-care facilities in the country (Government of India – 75% and State Government – 25%)
Bima Yojana for Artisans (Aam Admi Bima Yojana, or AABY):
The objective of this scheme is to provide life insurance protection to the artisans (Government of India – 62%, Life Insurance Corporation – 21%, and artisan – 17%). Other schemes are the following:
Support to Indigent Artisans, Credit Guarantee Scheme, and Interest Subvention Scheme
Marketing Support and Services Scheme:
The aim of the scheme is to promote export of handicrafts, including hand-knitted carpets and floor coverings in India and abroad. The financial ceiling for Gandhi Shilp Bazaars (GSBs) and Craft bazaars is based on classification of towns.

(*continued*)

Table 6.4 (continued)

Research and Development Scheme: The scheme involves conducting surveys and studies of important crafts and make in-depth analysis of specific aspects and problems of handicrafts in order to generate useful inputs to aid policy Planning and fine tune the ongoing initiatives and to have an independent evaluation of the schemes implemented by this office.
Infrastructure and Technology Development Scheme: The scheme aims at developing high quality infrastructure to enhance competitiveness of handicrafts in the global market by enhancing product quality and reducing cost. The scheme includes promotion of Urban Haat and Mini Urban Haat with the central government bearing, respectively, 70 per cent and 80 per cent of the admissible financial cost subject to prescribed ceilings.

Source: Draws upon Das and Lalitha (2015: 21–24) and Government of India (2011: 19–25)

The low wages to workers engaged in craft activities and poor income from the craft products needed a proactive policy thrust far beyond the occasional fairs and some financial schemes which reached only a small proportion of artisans.

Official Statistics on Crafts and Artisans: Gross Neglect

Clear evidence of gross neglect meted to the Indian craft sector relates to an absence of such basic data as the number of crafts, artisans, workers, wages, value of output, value of input, income, marketing, and exports. Even as this sector has been an important source of employment and income to millions of artisans across space, in all probability, second only to agriculture, reliable official statistics on this sector unfortunately are unavailable. In fact, the only information source remains the first *Census of Handicrafts*, 1995–96. This had affirmed that artisanal activities were predominantly carried out in the unorganized sector and were spread over all states (Ameta 2003). The dominant rurality of the craft sector could be gauged from the fact that 78.2% of enterprises and 76.5% of artisans working in these units were based in rural areas and village towns. As much as 96.27% of the artisans worked at the household level. By religion, about 70% of the artisans were Hindus, 23% Muslims, 4% Christians, and 2% Sikhs. It revealed that artisans comprised 23% of the Scheduled Caste population, 11% of Scheduled Tribes, 30% of backward communities, and 36% others.

The subsequent comprehensive attempt to estimate the number of people involved with handicraft and handloom activities in India was undertaken on behalf of the Crafts Council of India, Chennai during the period of 2009–10 to understand the nature of information available to enumerate the crafts population using large-scale secondary data sources. In April 2013, in the Lok Sabha, the then minister of state for textiles replied that "The census of handicrafts artisans is now in progress… The government has engaged reputed agencies to complete the census of artisans". An indicative estimate of number of artisans for 2010–11 was 68.86 lakh. The first *Census of Handicrafts* of 1995–96 had put this figure at 47.61 lakh.

The widely varying estimates of persons engaged in crafts based on the National Sample Survey Office (NSSO) and the Population Census are due to the differences in database and definitions used to identify a craftsperson.

As Viswanathan (2013) would argue, the Census data have an excellent geographic coverage but are lean in terms of details of the work. The occupational classification cannot be overlaid on the industrial classification to understand the nature of activities performed by the craftspersons. Furthermore, it does not include marginal workers and also does not provide information for those involved in home-based activities. The NSSO sampling helps in generating overall craft population estimates and provides several other details about the socio-economic conditions of the craftspersons. *Both* occupational classification and industrial classification can be used to arrive at the estimates. The excellent attempt by Viswanathan (2013) to estimate the number of artisans drawing upon alternative sources has confirmed the huge discrepancy in final figures arrived at as between sources and methods; the self-explanatory Table 6.5 presents the key information by state.

For sure, even officially, no one knows how many crafts and artisans engaged therein exist (or existed) in India. This is despite an earnest recognition that they play a significant part in the emerging and changing spheres of culture, tradition, and work. The remarkable (and somewhat disturbing) hiatus in knowledge is possible to attribute to an inadequate or no understanding about the significance of this activity as it acts as a source of employment, income, and pride.

Table 6.5 Statewise crafts population based on different definitions (NSSO: 2004–05 and Census: 2001)

(in thousands)

States	*CCI-census*	*CCI-NSSO*	*DC-H-NSSO*	*LR-NSSO*
Jammu and Kashmir	244.74	175.79	144.23	146.34
Himachal Pradesh	144.38	61.10	15.08	18.26
Punjab	927.20	395.35	166.97	152.96
Uttaranchal	184.90	31.19	11.83	5.67
Haryana	660.14	385.79	87.83	154.82
Delhi	888.30	255.79	112.50	171.34
Rajasthan	1729.65	714.12	307.45	637.92
Uttar Pradesh	3578.05	3109.67	1899.90	1922.41
Bihar	989.60	469.02	182.66	219.85
Sikkim	12.42	2.33	0.25	0.33
Arunachal Pradesh	14.13	1.62	0.48	1.79
Nagaland	16.57	22.43	16.10	15.74
Manipur	59.49	37.10	28.97	25.64
Mizoram	14.66	3.27	0.32	0.50
Tripura	64.75	27.52	8.12	10.97
Meghalaya	28.24	30.44	22.17	27.12
Assam	414.27	156.98	79.99	88.11
West Bengal	3159.43	1367.48	865.01	1199.69
Jharkhand	568.55	245.09	176.89	183.91
Odisha	726.50	933.37	457.88	564.95
Chhattisgarh	372.40	187.59	111.79	97.18
Madhya Pradesh	1136.06	581.08	350.03	273.53
Gujarat	2555.74	1519.41	928.74	1389.80
Maharashtra	3461.14	1525.44	547.06	872.86
Andhra Pradesh	2382.95	1208.27	814.95	989.19
Karnataka	1760.03	620.42	313.98	470.02
Goa	58.91	5.80	2.29	2.29
Kerala	1371.88	492.77	236.84	198.66
Tamil Nadu	3417.80	2187.78	1283.32	1657.56
All India	31,098.72	16,794.73	9186.13	11,518.58

Source: Viswanathan (2013: 47)

Two Craft Clusters from Rural Rajasthan and Assam

In the absence of reliable official statistics on craft clusters in rural India, based on informal sources of information, two clusters have been chosen for discussion in this chapter. These are (i) the clay terracotta cluster in Molela in the western Indian state of Rajasthan and (ii) the bamboo craft cluster in Barpeta in the northeastern state of Assam. Detailed household

and village-level surveys had been conducted in both the clusters on the basis of structured interviews with artisans as well as other relevant stakeholders in the villages.

The over-400-year-old votive terracotta cluster has survived largely catering to local demand, and there has been minimal diversification of the products to shapes and designs which are somewhat modern and at times utility-oriented such as bells, stylized lamps, door/wall hangings, and so on. This is a classic instance where hardly any innovation in product or process has taken place over the centuries. Currently, this craft cluster engages a total of 55 households (all surveyed) that carry out this exclusively traditional skill-based manual work at their homestead. The key raw material used is clay from the local ponds and water bodies and is mixed with rice chaff and donkey dung to strengthen the clay lump or *pindi*. These are then mounted on *patiyas* (small flat wooden bases) and given intricate shapes often with hollow exteriors as and when required. These are then dried and fired in local *bhattis* before being stacked for customers. Interestingly, the families pursuing this craft have originally migrated from nearby Bagol village and settled in.

The brittle, heavy, and localized terracotta products from the Molela cluster have been facing a new crisis of dwindling of its very raw material—the local clay—because real estate developers have taken over the land where clay was a free good until recent years. There has been practically no state support in terms of facilitating marketing of the products or providing for a common facility center (CFC), so essential for collective learning and sharing of tools and ideas in a cluster. As the market for these goods has been dictated by local demand, an informal and often unscrupulous way of doing business has destroyed the spirit of mutual cooperation and has encouraged mistrust among artisan households. One important outcome of such a situation of low-end production and improper marketing has been that price competition has emerged as the central practice of doing business. Under-selling the otherwise less-pricey goods has resulted in poor income for the artisan households. One approach that the household units have commonly adopted to address this has been to underpay the hired workers to save on labor cost at least. Of the total of 161 workers, those skilled accounted for 100 (62.1%), and the average number of workers per unit worked out to be 2.9, suggesting that the cluster was composed almost entirely of tiny enterprises. The artisans and the family members who work as unpaid workers do not find the activity remunerative.

Table 6.6 Wages and mode of payment in Molela terracotta cluster, Rajasthan

(Rs.)

Piece/Job	*Piece rate*		*Average daily earning*	
	Skilled	*Unskilled*	*Skilled*	*Unskilled*
Statue	200	150	300	200
Tiles	50	–	500	–
Utensils	10	–	100	–
Casual worker[a]	250	200	250	200

Source: Field survey

[a]Wages per working day

As may be observed from Table 6.6, the mode of payment of wages is piece rate–based and the rates per se are extremely low. If one estimates the daily earnings (of course, only for days of work), the income earned by either the skilled or unskilled workers is higher than the respective prescribed Minimum Wages in 2011 (the year of the field survey) by the state of Rajasthan, which was Rs. 135 for "Unskilled" workers and Rs. 155 for "Skilled" (Rs. 205 for "Highly Skilled") workers. What is important to note is that while the craft work is purely seasonal and highly uncertain, it remains a better source of income than that of the farm sector, which is more uncertain and limited in scope as far as acting as a source of employment in the arid region.

The bamboo craft cluster in Barpeta in its present organized form is about 50 years old and is known for the dexterity of the craftspersons; in fact, apart from the regular decorative (wall hangings, pictures, fancy ornaments, and so on) and utility (furniture, baskets, containers, incense sticks, and so on) items, the cluster has showcased intricate work such as decorative partition screens, finely woven showpiece umbrellas, and several attractive artefacts. Unlike the Molela case, this cluster has access to an abundant supply of its sole raw material, bamboo. Moreover, the cluster has emerged as a major supplier to the North Eastern Handicrafts and Handlooms Development Corporation Ltd. This cluster, however, faces serious constraints such as unreliable supply of power, poor market links, inadequate loan capital, and absence of scope to diversify to quality products and processes through technological upgradation. Even though in this cluster there exists a CFC (set up under the central government's Scheme of Fund for Regeneration of Traditional Industries scheme), it has remained grossly

unused as practically no local craftsperson is keen to be trained here. The artisans are mostly using the cutting and drilling machines as they are not acquainted with the operation and benefit of some of the machineries kept at the CFC. In the absence of any initiatives to familiarize or train the artisans to use the machineries installed, the potential for enhancing labor productivity has been missed. For instance, for furniture making, had the moulding process been introduced as part of the CFC scheme, it would have contributed to labor income and demand as well.

A survey of the 60 craft enterprises (of about 1500) revealed that almost all of the units operated from the homestead, Muslims being the predominant artisans. Of the total of 212 workers covered in the field surveys, 113 (or about 53%) were skilled workers. On average, they were able to earn Rs. 250–300 per day. This can be said to be sufficiently higher as compared with similar artisanal clusters operating in nearby areas; for instance, in the Kayakuchi bamboo cluster, the daily earning was much lower at Rs. 50–60. The division of labor was clear in that males would undertake the initial semi-processing of the bamboos, followed by women and children doing the more labor-intensive and finer components of the products. The future of the cluster is very much dependent upon the nature and expansion of markets for bamboo furniture and other household articles.

The rather brief discussions on the two different craft clusters in rural India share a number of characteristics having implications for work and earnings for the artisans. The clusters have thrived entirely on locally available natural raw materials and traditionally developed skills/techniques using simple and age-old tools. This has implied that the suitability of the products for sale would be affected by the value-to-weight ratio and/or value-to-brittleness/perishability ratio in targeting the market (whether the local, regional/subnational, national, or global). "Terracotta items or bamboo products, for instance, could be highly restricted in terms of serving higher levels of markets merely due to the physical characteristics of the raw material used. Similarly, the production of certain items would be severely constrained by the techniques of production or designs that include, for instance, manual processes and/or inefficient or inappropriate fuel and energy" (Das 2015: 142). The nature of local and regional markets influences their craft and business practices, including opting for small-batch production. It is useful to note that in the absence of developed market channels in rural areas for craft products, intermediaries such as traders and subcontractors emerge as key business dealers. For instance, traders accounted for as high as 39% and 96%, respectively, in case of the

terracotta cluster and bamboo craft cluster. The common experience has been that the price paid by these middlemen to artisans is much below the price at which they manage to sell. As the prices needed to be kept low to render these items affordable in the low-end markets, labor cost-cutting emerges as an important strategy of business.

The prevalent mode of payment for artisans remains piece rate–based, and rates vary significantly across type of activity or objects or their parts made; skill levels would decide the average daily earnings of workers. However, as the craft activities are not undertaken year-round (because of either seasonality of raw material access or demand crunch), the average annual earnings from the craft clusters often remain abysmally low depending upon a limited number of days of work. In the absence of any state regulation or vigilance, the micro units derive their sustenance through perpetuating poor working conditions, exploitation of family labor, and practically no provision for training and skill upgradation. Moreover, in the absence of incentives to innovate and improve product and process standards, the prices are set low, leading to a situation whereby crafts have become a livelihood strategy to barely survive. The clusters pursue informal work arrangements, adding to the uncertainties of labor in their pursuits of a livelihood option.

Concluding Observations

With the farm sector continuing with unimpressive performance in terms of the growth of value of output, agricultural infrastructure, and sustained massive rise in the landless agricultural laborers, marginal and small farmers' non-farm employment remains a potential source of local income and job generation. The majority of the non-farm or off-farm jobs appear to be in urban areas whether close by or far-flung. A growing phenomenon of rural-urban migration has emerged as the most pragmatic coping mechanism that the rural poor and unemployed opted for, irrespective of the fact that most migrant workers with no or little employable skills and access to supportive institutional networks have ended up in hostile urban environs earning and living low. To observe that most of these migrant workers are exploited by their employers and are not covered by any social security measures is to make an understatement. Several of these workers are temporary or seasonal migrants shunting between their roots and occasional spaces of livelihood.

The precarious nature of distress migration from rural to urban areas leaves one sector as a plausible source of work and income: rural enterprises,

usually in clusters. Interestingly, more than half of MSMEs in India are located in rural areas or what are often called "village towns". Between the Second (1987–88) and Fourth (2006–07) *Censuses* of small enterprises or MSMEs, the number of units in rural areas has witnessed a staggering increase, from about 0.2 million to 13.5 million. The issue of concern has been that the proportion of informal units in these enterprises has remained over 90% across censuses, and the figure reached around 95% as revealed in the *Fourth MSME Census*. Furthermore, unconfirmed estimates suggest that, of the around 6400 clusters in India, as much as about 94% of these are related to crafts (both handlooms and handicrafts). It is widely acknowledged that most of these craft clusters are besieged with serious constraints such as limited or no access to loan finance, technology support, business infrastructure, and wider markets. A critical area in which most rural craft clusters are deficient concerns the use of electricity at the enterprise level. As argued on earlier occasions, "This one-off intervention per se has the potential to transform the productivity and innovative capability of rural clusters significantly" (Das 2015: 139). These limitations have also acted as disincentives to engage in innovations at both the product or processes spheres.

That state policies have hardly helped preserve and promote craft skills and business is justified by the fact that there are no reliable and comprehensive official statistics on the craft activities and that implies that whatever schemes meant for artisans or their products would not be reaching most of the craftspersons. As quite a number of crafts are on the decline (including those known as *languishing* crafts, on the verge of a complete collapse, as referred to in Ranjan and Ranjan (2007)) because of a raw material crisis, skill shortage, and dwindling demand, craft clusters in rural India are no longer the potential sources of large-scale employment and income generation. A variety of institutional constraints facing these clusters over the decades reaffirm the neglect meted out to artisans and all those who assist them.

Considering craft enterprises as industrial activities and sources of business, it must be recognized that to build up the technological capability of a craft cluster would necessarily involve the *endowments of the spatiality* such as social, physical, and economic infrastructure and the *enabling* institutions. That the Indian approach to promotion of craft clusters, compared with fascinating policy initiatives taken even in Asian economies, lacks insights and proactive policy instruments has been discussed at length elsewhere (Das 2008, 2015). The two case studies of rural craft clusters in Rajasthan and Assam affirm this observation.

Under these circumstances, there is practically no scope for addressing concerns of labor. As both the production and labor processes are steeped in informal practices, decent work conditions are practically absent in these enterprises. The chances of raising labor productivity are as rare as the likelihood of being paid commensurate with one's labor productivity. As perceptively argued by Saith (2001: 119), "Given the disadvantages of deep rural locations and the higher transactions costs involved" it would be preposterous to presume that policy-induced rural clusters would be sustainable, efficient, and competitive. In that sense, expectations of rural clusters to emerge as sources of employment or even to address poverty would be misplaced. Moreover, a close perusal of rural/craft cluster development approaches in India (as almost summarily determined by the highly problematic *labor-shy* mid-1990s cluster development program of the UNIDO) reveals that these much-touted approaches did maintain a *strategic silence* on the labor question in clusters severely disadvantaged by informality, rurality, and a despair that has come to characterize craft as a respectable and sustainable profession.

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